

The Memphis City Administration develops a Five-Year Financial Plan for the General Fund. The Five Year Financial Plan is an indication of management's best assessment of future revenues, expenditures and operating results over the five-year forecast period.

The compilation and review of the Plan provides an opportunity to put current funding decisions in context with longer-term economic conditions while affording City management a realistic projection of the ongoing financial impact of policy decisions. The Plan also provides an opportunity to demonstrate to policy makers the likely impact of the short-term capital investment and financing decisions on the City's longer-term financial capacity.

Major goals of the Five-Year Financial Plan include the following:

1. To put the City's annual budget making process into a five-year planning horizon to facilitate prudent financial management.
2. To provide an environment for setting revenue and expenditure targets and for evaluating budget priorities in light of projected fiscal conditions.
3. To present a picture of the longer-term strategic financial issues facing the City, while highlighting funding priorities for budget planning.
4. To identify potential structural budget imbalances, surpluses or shortfalls.
5. To provide a useful framework for reviewing and refining the City's financial forecasts, as well as its financial management goals and priorities.

In preparing the Plan, the Budget Office takes into account historical experience, as well as the economic uncertainties underlying the revenue outlook and growth in expenditures during the five-year period. The City's key assumptions for revenues and expenditures are provided in the following paragraphs.

The revenue projections assume minimal growth in the two main revenue categories of local taxes and state taxes for the next four years with growth of approximately 1. Given the economic dependency of these two revenue categories, the current financial climate, which reflects unstable unemployment, and housing instability, effectively negate historical growth and collection trends for property and tax sale revenue. Consequently revenue projections presented are very conservative.

Expenditure projections represent expenditure growth for most expenditure categories only as identified by the respective operating divisions. Most expenditures are planned at baseline amounts of the FY 2014 budget unless there are known changes on the horizon. Expenditure projections also reflect the impact of known and proposed spending for personnel, or operating expenditures resulting from capital projects in the City's Five-Year Capital Improvement Plan. Personnel Expenditures, in general, are held at no growth as many employees are subject to bargaining unit agreements which will be negotiated at a future time.

Financial data in this section does not represent an approved financial plan, and it does not represent the final form of a financial plan that will be presented to the City Council for a future consideration. This section is intended to provide a high level look at projected revenues and expenditures for long range planning purposes. There are a number of financial decisions that could not be projected during the development of this data, including changes in the tax rate, the impact of grant awards, the use of technology and the impact of new service delivery strategies.

REVENUE AND EXPENDITURE SUMMARY

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
<u>Revenues</u>					
Local Taxes	420,285,627	430,815,450	434,851,171	438,932,431	443,321,755
State Taxes	54,070,000	54,968,616	55,540,620	56,164,841	56,700,489
Licenses and Permits	10,222,500	10,074,929	10,494,630	10,515,177	10,600,000
Fines and Forfeitures	14,500,000	12,669,640	12,932,232	13,204,303	13,400,000
Charges for Services	1,362,500	1,712,400	1,712,400	1,712,400	1,712,400
Use of Money and Property	349,000	455,509	449,861	444,327	300,000
Other Revenues	6,911,911	3,241,911	3,241,911	3,241,911	3,241,911
Transfer In	72,113,000	75,897,057	76,217,500	76,544,352	77,309,795
Total Revenues	579,814,538	589,835,512	595,440,325	600,759,742	606,586,350
<u>Net Division Expenditures</u>					
City Attorney	9,584,112	9,647,909	9,647,909	9,647,909	9,619,230
City Council	1,524,727	1,552,226	1,552,226	1,552,226	1,552,226
City Court Clerk	3,437,076	3,076,973	3,076,976	3,076,976	3,076,976
City Court Judges	616,660	619,160	619,160	619,160	619,160
City Engineer	7,634,771	7,538,003	7,538,003	7,538,003	7,538,003
Executive	5,514,396	5,564,302	5,573,302	5,573,302	5,573,302
Finance	4,687,846	4,831,694	4,831,694	4,831,654	5,302,512
Fire Services	131,722,448	141,202,265	140,910,516	141,605,892	142,418,678
General Services	19,480,119	20,120,862	20,160,141	20,080,862	20,769,362
Grants and Agencies	68,044,813	62,697,381	62,697,381	62,697,381	62,697,381
HCD	4,363,531	4,369,031	4,369,031	4,369,031	4,369,031
Human Resources	6,373,828	6,450,208	6,450,208	6,450,208	6,450,208
Information Systems	15,160,886	15,197,095	15,188,336	15,233,173	15,251,754
Parks and Neighborhoods	38,706,265	38,805,885	38,977,879	38,759,903	38,495,587
Polices Services	230,131,746	248,638,139	247,187,624	247,216,761	247,216,761
Public Works	19,751,285	13,328,705	13,383,152	13,429,178	13,488,533
Total Expenditures	566,734,509	583,639,838	582,163,538	582,681,619	584,438,704



Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	4,388,175	4,451,972	4,451,972	4,451,972	4,423,293
Materials & Supplies	5,195,937	5,195,937	5,195,937	5,195,937	5,195,937
Gross Expenditure	9,584,112	9,647,909	9,647,909	9,647,909	9,619,230
Expense Recoveries	0	0	0	0	0
Total Expenditures	9,584,112	9,647,909	9,647,909	9,647,909	9,619,230
Program Revenue	0	0	0	0	0
Net Expenditures	9,584,112	9,647,909	9,647,909	9,647,909	9,619,230

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	1,377,777	1,405,276	1,405,276	1,405,276	1,405,276
Materials & Supplies	146,950	146,950	146,950	146,950	146,950
Gross Expenditure	1,524,727	1,552,226	1,552,226	1,552,226	1,552,226
Expense Recoveries	0	0	0	0	0
Total Expenditures	1,524,727	1,552,226	1,552,226	1,552,226	1,552,226
Program Revenue	0	0	0	0	0
Net Expenditures	1,524,727	1,552,226	1,552,226	1,552,226	1,552,226

CITY COURT CLERK

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	3,132,457	3,197,354	3,197,357	3,197,357	3,197,357
Materials & Supplies	1,954,619	1,679,619	1,679,619	1,679,619	1,679,619
Capital Outlay	150,000	0	0	0	0
Transfers out	0	0	0	0	0
Gross Expenditure	5,237,076	4,876,973	4,876,976	4,876,976	4,876,976
Expense Recoveries	0	0	0	0	0
Total Expenditures	5,237,076	4,876,973	4,876,976	4,876,976	4,876,976
Program Revenue	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Net Expenditures	3,437,076	3,076,973	3,076,976	3,076,976	3,076,976



CITY COURT JUDGES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	562,837	568,337	568,337	568,337	568,337
Materials & Supplies	53,823	50,823	50,823	50,823	50,823
Gross Expenditure	616,660	619,160	619,160	619,160	619,160
Expense Recoveries	0	0	0	0	0
Total Expenditures	616,660	619,160	619,160	619,160	619,160
Program Revenue	0	0	0	0	0
Net Expenditures	616,660	619,160	619,160	619,160	619,160



CITY ENGINEERING

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	6,648,525	6,551,757	6,551,757	6,551,757	6,551,757
Materials & Supplies	1,745,009	1,745,009	1,745,009	1,745,009	1,745,009
Gross Expenditure	8,393,534	8,296,766	8,296,766	8,296,766	8,296,766
Expense Recoveries	0	0	0	0	0
Total Expenditures	8,393,534	8,296,766	8,296,766	8,296,766	8,296,766
Program Revenue	(758,763)	(758,763)	(758,763)	(758,763)	(758,763)
Net Expenditures	7,634,771	7,538,003	7,538,003	7,538,003	7,538,003



Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	2,755,008	2,794,914	2,794,914	2,794,914	2,794,914
Materials & Supplies	1,696,930	1,706,930	1,715,930	1,715,930	1,715,930
Grants & subsidies	1,062,458	1,062,458	1,062,458	1,062,458	1,062,458
Gross Expenditure	5,514,396	5,564,302	5,573,302	5,573,302	5,573,302
Expense Recoveries	0	0	0	0	0
Total Expenditures	5,514,396	5,564,302	5,573,302	5,573,302	5,573,302
Program Revenue	0	0	0	0	0
Net Expenditures	5,514,396	5,564,302	5,573,302	5,573,302	5,573,302

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	3,826,458	3,973,306	3,973,306	3,973,266	4,450,424
Materials & Supplies	870,388	867,388	867,388	867,388	861,088
Capital Outlay	1,000	1,000	1,000	1,000	1,000
Gross Expenditure	4,697,846	4,841,694	4,841,694	4,841,654	5,312,512
Expense Recoveries	0	0	0	0	0
Total Expenditures	4,697,846	4,841,694	4,841,694	4,841,654	5,312,512
Program Revenue	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Net Expenditures	4,687,846	4,831,694	4,831,694	4,831,654	5,302,512

FIRE SERVICES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	138,590,574	146,555,943	145,792,577	146,000,907	146,312,437
Materials & Supplies	17,046,684	18,561,132	19,032,749	19,519,795	20,021,051
Capital Outlay	35,250	35,250	35,250	35,250	35,250
Gross Expenditure	155,672,508	165,152,325	164,860,576	165,555,952	166,368,738
Expense Recoveries	0	0	0	0	0
Total Expenditures	155,672,508	165,152,325	164,860,576	165,555,952	166,368,738
Program Revenue	(23,950,060)	(23,950,060)	(23,950,060)	(23,950,060)	(23,950,060)
Net Expenditures	131,722,448	141,202,265	140,910,516	141,605,892	142,418,678



GENERAL SERVICES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	12,696,902	13,337,645	13,377,645	13,297,645	13,297,645
Materials & Supplies	7,522,561	7,522,561	7,521,840	7,522,561	8,211,061
Capital Outlay	35,000	35,000	35,000	35,000	35,000
Gross Expenditure	20,254,463	20,895,206	20,934,485	20,855,206	21,543,706
Expense Recoveries	0	0	0	0	0
Total Expenditures	20,254,463	20,895,206	20,934,485	20,855,206	21,543,706
Program Revenue	(774,344)	(774,344)	(774,344)	(774,344)	(774,344)
Net Expenditures	19,480,119	20,120,862	20,160,141	20,080,862	20,769,362



GRANTS & AGENCIES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	292,559	296,507	296,507	296,507	296,507
Materials & Supplies	9,150	9,150	9,150	9,150	9,150
Grants & subsidies	62,880,274	61,736,894	61,736,894	61,736,894	61,736,894
Transfers out	6,680,330	2,472,330	2,472,330	2,472,330	2,472,330
Gross Expenditure	69,862,313	64,514,881	64,514,881	64,514,881	64,514,881
Expense Recoveries	0	0	0	0	0
Total Expenditures	69,862,313	64,514,881	64,514,881	64,514,881	64,514,881
Program Revenue	(1,817,500)	(1,817,500)	(1,817,500)	(1,817,500)	(1,817,500)
Net Expenditures	68,044,813	62,697,381	62,697,381	62,697,381	62,697,381



Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	272,750	278,250	278,250	278,250	278,250
Materials & Supplies	177,506	177,506	177,506	177,506	177,506
Grants & subsidies	6,413,275	3,913,275	3,913,275	3,913,275	3,913,275
Gross Expenditure	6,863,531	4,369,031	4,369,031	4,369,031	4,369,031
Expense Recoveries	0	0	0	0	0
Total Expenditures	6,863,531	4,369,031	4,369,031	4,369,031	4,369,031
Program Revenue	(2,500,000)	0	0	0	0
Net Expenditures	4,363,531	4,369,031	4,369,031	4,369,031	4,369,031

HUMAN RESOURCES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	4,097,467	4,173,847	4,173,847	4,173,847	4,173,847
Materials & Supplies	2,276,361	2,276,361	2,276,361	2,276,361	2,276,361
Gross Expenditure	6,373,828	6,450,208	6,450,208	6,450,208	6,450,208
Expense Recoveries	0	0	0	0	0
Total Expenditures	6,373,828	6,450,208	6,450,208	6,450,208	6,450,208
Program Revenue	0	0	0	0	0
Net Expenditures	6,373,828	6,450,208	6,450,208	6,450,208	6,450,208

INFORMATION SERVICES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	1,528,180	1,546,879	1,520,260	1,546,879	1,546,879
Materials & Supplies	13,784,706	13,805,256	13,826,217	13,847,597	13,869,405
Gross Expenditure	15,312,886	15,352,135	15,346,477	15,394,476	15,416,284
Expense Recoveries	0	0	0	0	0
Total Expenditures	15,312,886	15,352,135	15,346,477	15,394,476	15,416,284
Program Revenue	(152,000)	(155,040)	(158,141)	(161,303)	(164,530)
Net Expenditures	15,160,886	15,197,095	15,188,336	15,233,173	15,251,754

PARKS & NEIGHBORHOODS

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	27,511,017	27,805,571	27,790,292	27,790,292	27,790,292
Materials & Supplies	18,541,141	18,238,345	18,423,349	18,203,892	18,068,892
Capital Outlay	83,000	133,000	133,000	133,000	133,000
Grants & subsidies	819,218	819,218	819,218	819,218	819,218
Inventory	342,839	342,839	342,839	342,839	342,839
Service charges	59,656	59,656	59,656	59,656	59,656
Transfers out	350,431	348,637	350,906	352,387	353,071
Gross Expenditure	47,647,646	47,747,266	47,919,260	47,701,284	47,566,968
Expense Recoveries	0	0	0	0	0
Total Expenditures	47,647,646	47,747,266	47,919,260	47,701,284	47,566,968
Program Revenue	(8,941,381)	(8,941,381)	(8,941,381)	(8,941,381)	(9,071,381)
Net Expenditures	38,706,265	38,805,885	38,977,879	38,759,903	38,495,587

POLICE SERVICES

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	203,802,938	220,961,994	221,084,280	221,113,417	221,113,417
Materials & Supplies	26,104,322	28,401,327	28,401,327	28,401,327	28,401,327
Capital Outlay	0	0	0	0	0
Transfers out	4,148,608	3,169,040	1,626,239	1,626,239	1,626,239
Gross Expenditure	234,055,868	252,532,361	251,111,846	251,140,983	251,140,983
Expense Recoveries	0	0	0	0	0
Total Expenditures	234,055,868	252,532,361	251,111,846	251,140,983	251,140,983
Program Revenue	(3,924,122)	(3,894,222)	(3,924,222)	(3,924,222)	(3,924,222)
Net Expenditures	230,131,746	248,638,139	247,187,624	247,216,761	247,216,761



PUBLIC WORKS

FIVE YEAR PROJECTION

Category	FY 2014 Adopted	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Personnel Services	8,877,766	8,557,656	8,557,656	8,557,656	8,557,656
Materials & Supplies	12,790,378	6,810,908	6,865,355	6,911,381	6,970,736
Capital Outlay	123,000	0	0	0	0
Gross Expenditure	21,791,144	15,368,564	15,423,011	15,469,037	15,528,392
Expense Recoveries	0	0	0	0	0
Total Expenditures	21,791,144	15,368,564	15,423,011	15,469,037	15,528,392
Program Revenue	(2,039,859)	(2,039,859)	(2,039,859)	(2,039,859)	(2,039,859)
Net Expenditures	19,751,285	13,328,705	13,383,152	13,429,178	13,488,533

